As an outcome of rigorous follow up with all the stakeholders, capcity to the tune of 7683 MW has been commissioned during 2007-08 (as on 22.2.2008) and projects aggregating 61,725 MW have been brought to the construction stage by the end of first year (as on 22.2.2008) of the 11th Plan so far which is over three times the projects that were under construction during the first year of 10th Plan.

Concessions to small power units

1022. SHRIMATI N.P. DURGA: Will the Minister of POWER be pleased to state:

(a) what concessions Government is proposing to small power units generating 25 MW of power;

(b) how the proposed move would help in augmenting power generation capacities, provide level-playing field for small and medium size companies, reduce electricity tariff, etc.,

(c) whether any tax holiday is proposed for the promoters of such units; and

(d) if so, the details thereof?

THE MINISTER OF POWER(SHRISUSHILKUMARSHINDE):(a)to(d)MinistryofNew and Renewable Sources of Energy, which is the nodal Ministry for matters relating to hydel projects of and below 25 MW capacity and also other grid-interactive renewable power projects, has informed that concessions are being provided through a mix of fiscal and financial incentives that include capital/interest subsidy, accelerated depreciation, nil/ concessional excise and customs duties. Further, as applicable to all new infrastructure projects, profits earned from sale of renewable power are exempt from Income Tax for any 10 years out of the first 15 years of operation of the projects. In addition, preferential tariff for grid-interactive renewable power is being given in most potential States. These concessions and fiscal benefits improve viability of small power projects and also encourage many developers to set up power projects to supply power to the grid.

Boosting the Hydro-Power Development

1023. SHRI B.J. PANDA: Will the Ministerof POWER be pleased to state:

(a) whether it is a fact that Government proposes to take a number of initiatives, including hydro-development fund, to woo the investors to boost hydro-power development;

(b) if so, the details thereof; and

(c) what is the current hydro power generation per annum and what is its projection by end of the Eleventh Five Year Plan?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) While there is no separate proposal for creation of a hydro development fund, the Government has recently approved a new hydro policy which is expected to boost hydro power development in the country. The salient features of the said Policy are as under:

- The existing dispensation available to the Public Sector under the National Tariff Policy 2006, regarding exempt ion from tariff based bidding up to January, 2011, is also extended to private sector hydroelectric projects which obtain CEA's concurrence, sign PPAs with distribution licensees and achieve financial closure before January, 2011.

- State Governments would be required to follow a transparent procedure for awarding potential sites to-the private sector.
- In order to enable the project developer to recover the costs incurred by him in obtaining the projects site, merchant sale of up to a maximum of 40% of the saleable energy has been allowed. Projects that do not conform to the prescribed time lines would, however, lose this incentive of merchant sales in agraded manner.
- An additional 1 % free power over and above 12% will be earmarked for a Local Area Development Fund aimed at providing a regular stream of revenue for income generation, infrastructure creation and welfare schemes in the affected areas.
- Each project affected family (PAF) will get 100 units of electricity every month for a period of 10 years free of charge.

(c) The power generation from hydro projects depend on the rainfall in the catchment area, amount of snowmelt, carryover storage in the reservoirs and availability of machines. During 2006-07, Hydro Power Generation was 1,13,358.77 MU against a target of 1,01,000 MU. During 11th Plan hydro capacity of 16,553 MW is proposed to be added and it is expected that by the end of 11th Plan, the total installed hydro capacity in the country would be about 51,207 **MW.**

Grants-in-Aid for Hydro Electric Projects

1024. SHRI JANARDHANA POOJARY: Will the Minister of POWER be pleased to state:

(a) whether grants-in-aid is released to State Governments for augmenting hydroelectric power and strengthening distribution lines;

(b) whether only limited hydro-electric power is generated from Mahatma Gandhi Hydro Electric Station in Jog area in Karnataka, owing to weak transmission lines;

(c) whether this is leading to acute power shortage in Dakshin Kannada and Uduppi districts of Karnataka;

(d) whether the agency, assigned the job of strengthening the distribution lines, is unable to deliver;

(e) whether, as a result, time and cost overruns in strengthening the power distributions lines in the Jog area, are being incurred; and

(f) if so, the details thereof and Centre's response thereto?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (f) The requisite information is being collected from the State Government of Karnataka. The information will be laid on the Table of the House on its receipt.

Assistance under RGGVY to karnataka

1025. SHRI RAJEEV CHANDRASEKHAR: SHRI JANARDHANA POOJARY:

Will the Minister of POWER be pleased to state:

(a) whether Central Government has approved and sanctioned assistance to the Karnataka Government for providing benefit under RGGVY to the rural and BPL householders in 17 districts of the State;